

Message Text

CONFIDENTIAL

PAGE 01 TEHRAN 06462 121251Z

43

ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-10 ISO-00 SPC-03

AID-20 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-15 STR-08

OMB-01 CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00

XMB-07 OPIC-12 LAB-06 SIL-01 INT-08 SCEM-02 L-03 H-03

DODE-00 PA-03 USIA-15 PRS-01 DRC-01 /220 W

----- 071039

R 121155Z SEP 73

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 3794

INFO AMEMBASSY ABU DHABI

USINT ALGIERS

AMEMBASSY CARACAS

AMEMBASSY DHAHRAN

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LONDON

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

AMEMBASSY PARIS

AMEMBASSY TOKYO

C O N F I D E N T I A L TEHRAN 6462

E.O. 11652: GDS

TAGS: ENRG IR OPEC

SUBJECT: KAYHAN COLUMN ON DANGER OF OIL PRICE SPIRAL

1. SUMMARY: KAYHAN COLUMN, APPARENTLY OFFICIALLY INSPIRED, EXPRESSES CONCERN THAT TOO SEVERE OIL PRICE INCREASE COULD KICK OFF HARMFUL INFLATIONARY SPIRAL, SAYS POLICYMAKING CIRCLES IN TEHRAN SEE NEED FOR ZERO GROWTH POLICIES IN INDUSTRIAL NATIONS, SUGGESTS OPEC MEETING ON PRICES SHOULD SEEK TO SHOCK INDUSTRIAL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TEHRAN 06462 121251Z

POWERS MODERATELY, WITHOUT PROVOKING CONFRONTATION.

2. KAYHAN INTERNATIONAL SEPTEMBER 11 CARRIES COLUMN ENTITLED QUOTE EVERYONE WOULD LOSE OUT IN OIL SPIRAL, END QUOTE WHICH WE BELIEVE WAS OFFICIALLY INSPIRED, PRESUMABLY BY MINFIN AMOUZEGAR.

3. USIS HAS TRANSMITTED BULK OF COLUMN THROUGH OWN CHANNELS. MAIN POINTS MADE IN IT ARE (A) SOBER OIL PRODUCERS REALIZE TOO RADICAL INCREASE IN OIL PRICES COULD PROVOKE SHARP INCREASES IN PRICES OF CONSUMING NATION'S EXPORTS, SETTING OFF DAMAGING SPIRAL; (B) REAL GOAL FOR DEVELOPING COUNTRIES LIKE IRAN IS INCREASED REAL BUYING POWER AND QUOTE FAIR SHARE OF PROSPERITY; END QUOTE (C) IN PRESENT SCRAMBLE FOR RAW MATERIALS, IRAN AT DISADVANTAGE, THOUGH COUNTRIES LIKE INDIA AND CHINA EVEN WORSE OFF; (D) ADVISORS HAVE GIVEN P.M. HOVEYDA HIGHLY CONFIDENTIAL GRIM REPORTS SAYING QUOTE NOTHING LESS THAN ABDICATION OF SELFISH AMBITIONS BY LEADING INDUSTRIAL POWERS WILL SAVE WORLD FROM CRISIS; END QUOTE ADOPTION OF POLICY OF STABILIZATION (ZERO GROWTH) BY MAJOR POWERS, COMBINED WITH NEW SYSTEM OF INDUSTRIAL DIVISION OF LABOR, NOW ADVOCATED HERE AS ONLY WAY, GIVEN LIMITED RESOURCES TO QUOTE SATISFY LEGITIMATE DESIRES OF SMALLER COUNTRIES END QUOTE FOR DEVELOPMENT AND WELFARE; (F) BESIDES ABOVE LONG-RANGE PROBLEMS, THERE IS MORE IMMEDIATE ONE OF HOW TO PREVENT LOSS OF BUYING POWER IN EXISTING SYSTEM, A PROBLEM IRAN QUOTE DOES NOT THINK OF IN TERMS OF CONFRONTATION, THOUGH MORE AND MORE IRANIANS FEEL IT IS TIME MAJOR COUNTRIES GO ON SLIMMING DIET END QUOTE; (G) AT FORTHCOMING OPEC MEETING SOME ARAB NATIONS (LIBYA AND TO LESSER EXTENT SAUDI ARABIA) SEE OIL IN POWER TERMS AND COULD QUOTE UNLEASH WAR OF NERVES WITH CONSUMERS ON ISSUES NOT DIRECTLY CONNECTED WITH THE INDUSTRY ITSELF END QUOTE WHILE OTHERS, LIKE IRAQ AND KUWAIT, HAVE REASONS TO CHOOSE LESS RADICAL PATH. POSITIONS OF IRAN, ALGERIA AND VENEZUELA LIKELY TO BE SIMILAR DUE DEVELOPMENT NEEDS. (H) MANY OBSERVERS BELIEVE OPEC SHOULD GIVE INDUSTRIAL POWERS A NEW SHOCK, BUT SHOCK SHOULD NOT BE SO STRONG AS TO CAUSE RUINOUS CONFRONTATION NOR TOO WEAK TO BE DISMISSED AS ACT OF UNDECIDED NATIONS.

4. COMMENT: WE SEE THIS ON ONE HAND AS APT EXPRESSION OF PAINFUL DILEMMA IN WHICH IRAN'S POLICYMAKERS NOW FIND THEMSELVES, AND ON OTHER AS RATIONALE FOR IRAN, AS REASONABLE, MODERATE NATION, TO JOIN IN SEEKING LARGE PRICE INCREASE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TEHRAN 06462 121251Z

HELMS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, PRESS COMMENTS, POLICIES, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 12 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TEHRAN06462
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS HELMS
Errors: N/A
Film Number: n/a
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730939/aaaabcfcd.tel
Line Count: 108
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 13 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13-Nov-2001 by elyme>; APPROVED <18-Dec-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KAYHAN COLUMN ON DANGER OF OIL PRICE SPIRAL
TAGS: ENRG, IR, OPEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005